

## DAILY SHIPPING NEWSLETTER 2002 – 042



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### Operation Enduring Freedom



An **F-14 "Tomcat"** assigned to the "Jolly Rogers" of Fighter Squadron One Zero Three (VF 103) conducts a **high-speed "fly-by"** above the ship. VF 103 is part of Carrier Air Wing Seventeen (CVW 17), embarked onboard George Washington on a six-month deployment conducting combat missions in support of Operations Enduring Freedom and Southern Watch.

## EVENTS, INCIDENTS & OPERATIONS

### QM2 Selected For 2004 Olympics



Cunard Line and Athens 2004, the organizing committee for the 2004 Olympic Games, today signed a memorandum of understanding to position Cunard's \$800-million Queen Mary 2 in the Greek port of Piraeus to serve as a floating hotel during the

Games. The 1,310-cabin luxury liner will arrive in Piraeus on August 12, 2004, and remain docked through August 30. "Cunard Line is delighted to be a part of this historic event in Greece, the birthplace of the Olympic Games," said Deborah Natansohn, the line's senior vice president, sales and marketing. "Being selected by the Athens organising committee is a great honour and the first step in a very exciting process." According to Spyros Capralos, executive director, Athens Organizing Committee (ATHOC), "Queen Mary 2 will be the centrepiece in an 11-ship flotilla that will host up to 13,280 visitors. We're delighted that the newest and grandest luxury liner in the world will be the flagship for the 2004 Olympic Games in Athens." Scheduled to debut in January 2004, the 150,000-ton Queen Mary 2 will feature sweeping staircases, expansive promenades, luxurious staterooms and among the most lavish suites at sea; nearly three-quarters of her accommodations will have private balconies. Facilities include 10 dining venues; several elegant bars and show lounges; a theatre; a health spa operated by the world famous Canyon Ranch; the world's first planetarium at sea; a children's facility, complete with British nannies; indoor and outdoor swimming pools; hot tubs and boutiques.

## CASUALTY REPORTING

### LE JOOLA



The Senegalese ferry '**Le Joola**' lies capsized off the coast of Gambia. Rescuers held out little hope on September 28, 2002 of finding some 540 people still missing after the ferry capsized in stormy seas off the coast of Gambia.

## **SHIPYARD NEWS**

### **Teekay swoops for \$150m aframax quartet**

TEEKAY Shipping is spending more than \$150m on four aframax tankers contracted from two South Korean yards.

The world's largest aframax operator said the four high specification newbuildings were split evenly between Daewoo Shipbuilding & Marine Engineering and Samsung Heavy Industries.

The agreements also provide Teekay with options to order additional ships. The new vessels will be 115,000 deadweight tonnes each and are scheduled to be delivered in 2004.

Teekay said the aggregate cost was around US\$152 million, including construction supervision costs and capitalized interest.

## **ROUTE, PORTS & SERVICES**

### **China completes Yangtze entry dredging**

The depth of the channel at the mouth of the Yangtze River has been increased to 28 feet from about 23 feet, marking completion of the first stage of an ambitious upgrade to spur shipping and more broadly bolster the economy of Shanghai and its environs.

The central government plans to invest 12 billion yuan (\$1.45 billion) to clear the silt build-up at the mouth and deepen the channel. The ultimate goal is to increase the depth at the mouth to 41 feet to allow 100,000-ton and heavier ships to enter Shanghai harbor, the busiest in China.

The first phase began in 1998 at a cost of \$362 million to reduce silt and upgrade the route into two-way from one-way. The deepened channel can now handle up to 76 ships a day, and speeds are up to 10-12 knots from 8 knots previously, officials say.

The second phase, now under way and set for completion in three years, will increase depths from 28 feet to 33 feet and the width at the bottom from 984 feet to 1,300 feet.

Shanghai also suffers because its channels are too narrow to allow easy maneuvering by large container ships.

Shanghai expects to handle more than 250 million tons of cargo and over 8 million TEUs in 2002. The port processed a record 125 million tons in the first six months of the year, up 17 percent year-on-year.

The number of containers handled by Shanghai totaled 3.84 million TEUs in the first half, a gain of 31 percent over the same period in 2001.

### **V.Ships will be Greenfleet broker**

GenChart has appointed V.Ships to act as exclusive broker for Greenfleet Chartering's charter in-requirements.

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Greenfleet employs a number of vessels under time charter to cover cargo portfolio commitments on a regular basis and V.Ships will source the required tonnage on the market.

GenChart's managing director Hans Spliethoff, Gerben van Zwieten and Martijn Vinke will manage GenChart requirements together with Gary Harding and Andrew Pearson from V.Ships in London.

### Earnings forecast slashed at Stolt-Nielsen



Top : The **STOLT KITTIWAKE** arriving in Rotterdam 08-04-2001 – Photo : Piet Sinke ©

Stolt-Nielsen, one of the world's leading chemical tanker operators, has been forced to make a drastic cut in its full year earnings forecast due to problems at the Stolt Offshore subsidiary.

The nasty surprise has cost Bernard Vossier, the head of Stolt Offshore, his job. A company statement said he would be stepping down from his post as chief executive while remaining on the company's board. Stolt Offshore is now expecting a break-even result in the current year after forecasting earnings of 40¢ to 70¢ a share in June.

The company blamed operational problems on projects, a timing delay on a pipelay contract in Nigeria and a continuing weak market in the Gulf of Mexico. As a result, Stolt-Nielsen has lowered its own earnings forecast to 30¢-50¢ a share before restructuring charges from the 85¢-\$1.15 a share predicted in June. Stolt Offshore's continuing need for equity has seen it convert a \$40m debt owed to the parent into 9.4m shares at an exchange price of \$4.25 per share. This debt-for-equity swap, the second in three months, lifts Stolt-Nielsen's stake to 63% from 59%.

The extent of the deterioration at Stolt Offshore can be measured by the fact that in June the company swapped \$24m of debt for 3m shares at an exchange price of \$8 per share. The equity injections were needed to keep the company in compliance with its banking covenants. Stolt Offshore said Mr Vossier's responsibilities had been taken over by Niels Stolt-Nielsen, who is also chief executive of Stolt-Nielsen, on an interim basis. A spokesman for Stolt-Nielsen said it remained the group's intention that Stolt Offshore, as well as Stolt Sea Farm, should each have an independent capital base.

Stolt-Nielsen's increased stake in Stolt Offshore was driven by the subsidiary's balance sheet and financial situation which meant that "something needed to be done in a hurry". Stolt-Nielsen said the third quarter results in the chemical tanker business Stolt-Nielsen Transportation Group and Stolt Sea Farm "developed as anticipated". SNTG's third quarter results were on a par with those for the second quarter. Stolt Sea Farm's results improved on the second quarter after benefiting from the seasonal harvest of bluefin tuna, although the business continued to be negatively affected by weak prices for salmon.



## LOS ANGELES PORT STRIKE



A loaded cargo ship lies idle in the Port of Los Angeles September 28, 2002, one day after the imposition of a lockout called by the Pacific Maritime Association against the International Longshore Workers Union. The association representing shipping lines locked out longshoremen at all West Coast ports until Sunday morning in what it called a "cooling-off period" in

contract negotiations.

## NAVY NEWS

### Former SECNAV Nitze Lays Keel for Namesake Destroyer



Former Secretary of the Navy Paul Nitze authenticated the keel of the Arleigh Burke-class destroyer named in his honor during a keel laying ceremony held Sept. 20 at Bath Iron Works. The future-**USS Nitze (DDG 94)** will be the 24th Arleigh Burke-class destroyer built at Bath Iron Works, in coordination with Naval Sea Systems Command's Supervisor of Shipbuilding, Conversion and Repair, Bath. The ceremony also marked the second time at Bath where a namesake was present for a keel laying (the first was Adm. Arleigh Burke, namesake for DDG 51 and the ship class). The laying of the keel is the first major milestone in the construction of any ship. The

short program included tack welding Nitze's initials onto a steel plate. The steel plate will be installed aboard the ship prior to christening, which is scheduled for March 2004.

### U.S. Navy to meet families of Ehime Maru victims

MATSUYAMA — The U.S. Navy has agreed to hold an explanatory meeting Oct 23 in Tokyo for families of victims of a fatal collision last year between the Ehime Maru, a Japanese high school fisheries training ship, and a U.S. nuclear-powered submarine, lawyers for the families said Friday. Rear Adm Robert Chaplin, the commander of U.S. naval forces in Japan, will be in charge of the meeting requested by families of two victims. U.S. Navy Cmdr Benjamin Clancy will also attend the meeting, according to the lawyers.

## EXERCISE INSPIRED SIREN 2002



USS Rueben James along with Pakistan Navy Ship (PNS) Shahjahan and PNS Tippi Sultan are currently participating in Exercise Inspired Siren 2002. The purpose of this training mission was to exercise joint-combined naval and air capabilities of both forces, improve their respective levels of readiness and interoperability and enhance military relations between the two nations.





## MOVEMENTS

# BONGA TRANSPORT

By Capt Kees Pronk – Master Smitwijs Singapore



The **SMITWIJS SINGAPORE**, **SMITWIJS LONDON** and de **JOHN ROSS** which are towing the **BONGA** were passing last night Cape Sao Vicente and are schedule to arrive offshore the River Tyne October 11<sup>th</sup>, before he river will be entered about 70.000 ton of ballast water have to be discharged to reduce the draft of the Bonga from 10.2 mtr to 5.2 mtr and the weather have to be suitable also to enter the river because to Bonga will have a freeboard of 27 mtrs upon arrival.



## BANCKERT



The tug **BANCKERT** arrived with the Heerema pontoon **H113** in Rotterdam Saturday late afternoon  
Photo : Piet Sinke ©

## AIRCRAFT / AIRPORT NEWS

### 'Rekenfoutje' VS treft JSF

Een 'rekenfoutje' van \$2,5 miljard in de begroting van de Amerikaanse luchtmacht dreigt de productie van de Joint Strike Fighter (JSF) met twee jaar te vertragen, aldus defensiebronnen in Washington.



*De Joint Strike Fighter is de beoogde opvolger voor de F16*

De miscalculatie, die door het Pentagon wordt afgedaan als 'mensen maken nu eenmaal fouten', betekent dat de niet gereserveerde \$2,5 miljard nu tijdens de ontwikkelingsfase tussen 2004 en 2009 moeten worden gevonden. Het gaat dan om enkele honderden miljoenen per jaar. „Dit haalt het project niet onderuit. Er zijn wegen genoeg om een oplossing te vinden", stelt Pentagon-woordvoerder Stephen Cambone.

Begin 2003 zullen de Amerikanen bepalen met welke budgettruc zij een al te grote temporisering van de bouw kunnen voorkomen, waaraan ook het Nederlandse bedrijfsleven deelneemt. De ontwerp- en demonstratiefase kost \$24 miljard. In totaal besteedt het Pentagon meer dan \$200 miljard aan de bouw van ruwweg 3000 van deze vechtmachines.



Daarnaast wordt gerekend op export van bijna eenzelfde aantal JSF's. De eerste wordt in 2008 operationeel. Nederland beslist over enkele jaren over de aanschaf van waarschijnlijk 85 toestellen, die de F-16's moeten vervangen. Den Haag is nu al bij het project betrokken via een voorfinanciering van \$800 miljoen. Dat bedrag moet fasegewijs in de staatskas terugvloeien als het bedrijfsleven gaat verdienen aan de productie.

Defensie en het industriecluster maken zich niet bezorgd: „Financieel zal er geen aanpassing komen, tenzij wij zelf dat contract willen veranderen." PvdA-Kamerlid Timmermans heeft desondanks minister Korthals (Defensie) gevraagd de gevolgen van de tegenvaller voor Nederland in kaart te brengen.

## **.... STORY OF THE DAY ....**

### **Chinese Naval Ship Formation's First Global Navigation**



**The Chinese Naval Ship Formation's First Global Navigation composed of the Qingdao Missile Destroyers and the Taicang Comprehensive Supply Ships, returned to Qingdao at 9:00 a.m.**

**September 23, bringing with them the friendship of the people and armies of**

**10 countries on five continents.**

The Chinese Naval Ship Formation's First Global Navigation composed of the Qingdao Missile Destroyers and the Taicang Comprehensive Supply Ships, under the leadership of Lieutenant General Ding Yiping, commander of the Beihai Fleet and commander-in-chief of the Formation, returned to Qingdao at 9:00 a.m. September 23, bringing with them the friendship of the people and armies of 10 countries on five continents.

By far, this is the first time that the name of "China" was engraved forever in the history of global navigation in the world, thus the 506 officers and soldiers have fulfilled the thousand-year-old dream of the Chinese nation with their own deeds. When the naval ships arrived at the ports, more than 2,000 people, including leaders of the headquarters and the navy and officers and men of the fleet, their families and local leaders and residents held a grand welcoming ceremony, greeting the triumphal return of the Formation's officers and soldiers.



With approval from the Central Military Commission, the Chinese Naval Ship Formation set sails from Qingdao on May 15 this year, starting their long voyage to 10 ports in 10 countries- Singapore, Egypt, Turkey, Ukraine, Greece, Portugal, Brazil, Ecuador, Peru, and Papeete,

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dependence of France.

The global navigation journey is a major military diplomatic activity of milestone significance in the history of the People's Navy and a symbol of the growing overall national strength of China as expressed in the development of the national economy, science and technology, it concerns the reputation of our Party, State and nation as well as the image of the people's armed forces and the long-term construction of the Navy, it has thus attracted the concern of the country and focused the attention of the world.

Among the 10 ports the Formation visited, except for Callao of Peru, all the other nine were ports the Chinese Naval Ship Formation visited for the first time. During the visits, the Chinese Naval Ship Formation was warmly welcomed wherever they went.

The warm welcome extended to them wherever they went has enabled the officers and men to deeply feel the glory and pride brought on them by the strength and prosperity of the motherland and the navy. The Formation was given high attention and exceptional reception by the leaders of the countries and governments and the military who, in turn, were invited to visit the Chinese naval ships.

During high-level exchanges, leaders of the Formation, on various occasions, praised the traditional friendly relations between the people of China and the host countries and publicized China's continual development and growth which is conducive to the defense of world peace and stability, they expressed their sincere desire to develop friendly contacts with the naval forces of various countries around the world, so that the various sectors, especially the military, have better understanding of and increase their trust in, the Chinese Navy. It is the general view of the ranking officers of foreign armed forces that the modernization degree of the Chinese naval vessels is much better than what they understood before, and that the level of management and maintenance of the naval ships and the qualities of officers and soldiers are first-rate in the world.



During the visits, the Formation actively engaged in exchanges between officers and men of China and those of the host countries. Chinese officers and men not only extended warm and friendly reception to their counterparts of the host countries on board to visit Chinese naval ships, they also went to visit the different types of naval ships of foreign countries and naval bases, marine corps, naval academies, training centers and other military installations, and conducted vocational exchanges with the specialized officers and soldiers of the navies at different levels in various countries. Through visits, they have learned useful knowledge and enhanced understanding and friendship.

In order to expand exchanges, the Formation, in each place they visited, actively performed Chinese military music as an expression of gratitude and organized and conducted various kinds of sport games. Through these activities, they displayed Chinese culture and the graceful bearing of the Chinese Navy, thus winning extensive praises. Using large plates, showcases and many

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other forms, the Formation displayed the excellent situation of the increasing prosperity of the motherland and the good look of the Chinese People's Navy, publicized the basic principles of "peaceful reunification, and one country, two systems", expressed the Chinese people's firm determination to realize reunification of the motherland, and sparked the patriotism of the broad masses of Chinese nationals and their aspirations and national cohesion for the reunification of the motherland.

In each place the Formation visited, local Chinese newspapers published on the front page or devoted the whole page to reports on the situation about the visit of the Formation, Chinese nationals and foreigners of Chinese origin were immersed in a jubilant atmosphere as if they were spending festivals. They flaunted banners, clang gongs and beat drums, sang and danced to welcome the Formation. Many Chinese with their families came in a hurry from thousands of miles away, when they boarded the Chinese naval vessel and saw their Chinese dear ones, they were so excited that their eyes were glistening with tears.

In Greece, Chinese nationals organizations, like supporting the front in those years, came in a hurry to express greetings to their own army, they brought with them beverage, fruits and telephone cards, many Greek people on the site were deeply moved by the scene.

In Ecuador chambers of commerce of Chinese nationals and organizations sent in crabs, prawns, Chinese flowering quinces and bananas as gifts to express their profound feelings for the Chinese Navy.

In Peru, nearly 2,000 Chinese nationals gathered in harbors where they danced lion and dragon dances to greet the arrival of the Formation. After that, flaunting banners and shouting slogans, they came to see off the Formation in the dead of night, when they saw the Five-Star Red Flag fluttering high on the main topmast, they were so excited that they shouted "Long Live the Motherland!", "Long Live the Chinese Navy!", their eyes filled with tears, the scene was very touching.

The visit paid by the Chinese Naval Ship Formation whipped up an unprecedented "tide of China" and a "navy heat" in the place they visited. Local people vied with one another to swarm on to the harbor in order to get an early sight of the charm of the Chinese naval vessel. Those visiting the Chinese naval ship included elderly over 90 years old, babies in the arms of their mothers, pregnant women, the disabled as well as foreign friends and Chinese nationals.

With the gallant array of the ships and the troops, strict style and discipline, civilized and courteous manner, and thoughtful reception and service, the officers and soldiers of the Formation greeted guests from all directions. For instance, they repaired shoes for the aged, gave detailed explanations to youngsters thirsty for knowledge, gave performances for the waiting crowds, provided service for the handicapped and sent people to act as guides for those coming from afar on their visit.

In Ukraine, our officers and men enthusiastically received WWII veteran soldiers coming from afar. These veteran fighters regarded Chinese Navy as their dear ones. One of them, who had been working in northeast Chinese city Lushun during the 50s, brought with him his honorary certificate signed and issued by Mao Zedong in those years.

In Brazil, it was a bubbling, unprecedented, grand occasion at the harbor. The Brazilians who came to visit the Chinese naval ships queued up like a "long dragon", vying with one another to get on the ship, so the Formation could not but extend the visiting time again and again. Large numbers of visitors requested to have a group photo taken with Chinese sailors for a memento. A disabled person carried onto the naval ship by our soldier said with emotion, "This is the highest



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courteous reception I've ever been given in my life". A total of more than 30,000 people visited the naval ship in three days.

The Formation had given proper attention to the repair, maintenance and management of equipment throughout the whole process of visit. Confronted by the adverse circumstance of persistent high temperature, high salt and high moisture, and the grim challenge posed by navigating an unfamiliar region, the officers and soldiers still persisted in examining and repairing equipment on a daily and weekly basis, thus keeping weapons and equipment in good condition and neat array of the ship. The officers and soldiers of the Formation held fast to one conviction: Interests of the motherland stand above everything else, and responsibility is weightier than Mt. Tai. So, in order to fulfill the task of global navigation, the officers and soldiers, with no blame nor remorse, turned their loyalty to the Party, the motherland and the people into actual deed of overcoming all hardships and dangers, writing chapters about the glory of the Chinese Navy.

After **132-day navigation** covering more than **33,000 nautical miles**, the Formation has set a new record in the history of the People's Navy whose visit took the longest time, covered the farthest voyage, went through the broadest sea region and toured the most countries. It has thus made positive contribution to enhancing the friendly relations between people, army and navy of China and those of the host countries and to expanding the influence of the State and nation, and in displaying the graceful bearing of the Chinese army men and promoting reunification of the motherland and the defense of world peace.